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SUBJECT: MEDIA REACTION: OBAMA'S ANNOUNCEMENT OF THE NATIONAL SECURITY TEAM, U.S.-TAIWAN ARMS SALES

¶1. Summary: Taiwan's major Chinese-language dailies focused news coverage December 3 on the Cabinet's decision to allow four days off for the New Year holiday; on the probe into former first family's money laundering; and on the safety problems of the Maokong Gondola in Taipei.

¶2. In terms of editorials and commentaries, a column in the centrist, KMT-leaning "China Times" discussed U.S. President-elect Barack Obama's newly-formed administration. The article said Obama appears to be moving towards the center-right in terms of the United States' foreign relations and national security. An editorial in the conservative, pro-unification, English-language "China Post" not only hailed Obama's decision to appoint Senator Hillary Clinton Secretary of State but also expressed expectations regarding Clinton's prospects. Regarding the United States' arms sales to Taiwan, an op-ed in the pro-independence, English-language "Taipei Times" argued that the pricing of the United States' sale of the Patriot Advanced Capability (PAC-3) missile defense system to Taiwan was quite reasonable. The op-ed also urged that both Washington and Taiwan build joint defenses against the military threats posed by China. End summary.

¶3. Obama's Announcement of the National Security Team

A) Is Obama's Foreign [Policy] Moving towards the Center-Right?"

Columnist Lin Po-wen wrote in his column in the centrist, KMT-leaning "China Times" [circulation: 220,000] (12/3):

"... [U.S. President-elect] Barack Obama's campaign slogan was 'change,' but the team members he chose to be in charge of financial and economic issues, foreign relations, and national security are mainly former officials of the Clinton Administration, with the only exceptions being Robert Gates and James Jones. Obama is insufficiently experienced, and he needs to rely heavily on experienced talents to promote change. Obama is a Wilsonist in terms of foreign relations who advocates for democracy and prevention of war; he is also an idealist who embodies a mixture of liberalism, realism, and nationalism. The so-called 'Bushism,' which emphasizes preemptive measures and the use of advanced weaponry to carry out U.S. interests will soon be flushed down the toilet. Two wars are looming ahead of him, and the latent risks in South Asia and mainland China are far greater than the Middle East and Iran's nuclear capabilities. It appears that in order to demonstrate that the United States remains powerful and that he is able to 'handle' all issues, Obama has no other option but to construct a center-right path in terms of foreign relations and national security. ... "

B) "Secretary of State Hillary"

The conservative, pro-unification, English-language "China Post" [circulation: 30,000] editorialized (12/3):

"... We are glad to see the former rivals join the same team and

wish Senator Clinton all the best as she accepts the challenges that face her after taking office as the next Secretary of State.

"We also hope that Clinton's experience in world affairs, gained both as a senator and in eight years of being first lady of the world's most powerful country, will be a plus to the untested incoming U.S. president. ...

"As Secretary of State, Hillary Clinton will have lots of hard work ahead of her. Clinton will be faced with the daunting task of attempting to restore America's image abroad after several years of widespread distrust brought about by the U.S.-led invasion and occupation of Iraq.

"The go-it-alone strategy followed by outgoing President George W. Bush made many enemies in the world and also cost Washington a great deal of friendship even with its closest allies such as France and Germany.

"Now that Obama has made history by becoming the first African-American to take over the White House, Hillary Clinton has gone ahead to make history by becoming the first ex-first lady to go on to hold high office in a presidential administration. ...

"It is interesting to note that before the mid 20th Century, Secretaries of State were largely regarded as potential successors to their presidents. We wonder if Clinton might make history again by going on to try and revive that political tradition."

14. U.S.-Taiwan Arms Sales

"Pricing Taiwan's Missile Defense"

John Tkacik, a senior research fellow in Asian studies at the Heritage Foundation, opined in the pro-independence, English-language "Taipei Times" [circulation: 30,000] (12/3):

"China's missile deployments against Taiwan are the single most dangerous threat to the nation's sovereignty, yet some insist that Taiwan either doesn't need the Patriot Advanced Capability (PAC-3) missile defense system or that the US is trying to cheat Taiwanese taxpayers with hidden PAC-3 price tags - or both. Both charges are false and the latter borders on insulting.

"The fact is both Taiwan and the US have a vital interest in seeing that PAC-3 ballistic missile defense systems are deployed in Taiwan and neither can afford to allow political grandstanding to unhinge the historic bilateral security relationship. Both Washington and Taipei should approach the ongoing PAC-3 pricing consultations in a spirit of cooperation, maturity and a sense of common vulnerability to China's ever-expanding missile threat.

"There is much misinformation and disinformation about the PAC-3 sale. Two Chinese Nationalist Party (KMT) legislators, Shuai Hua-min, a former army general, and Lin Yu-fang, said the U.S. government has suddenly added US\$800 million in hidden 'research and development costs' to the PAC-3's US\$3.1 billion price tag. Both legislators are familiar with defense procurements, and both must be aware that 'nonrecurring engineering' (NRE) costs are a fact of life in every order for advanced US weapons systems. But the US\$800 million fee quoted by the legislators seems very high and I suspect it is exaggerated. ...

"The US has thus far only approved 330 PAC-3 missiles for Taiwan. That must be seen as just the initial order given Taiwan's requirement for more than 1,000 - a number that must be commensurate with the Chinese deployments. Current pricing indicates that the unit price of a PAC-3 is declining to an amount closer to the unit costs of China's offensive missiles. ...

"In the grand scheme of things, the more than 1,300 missiles deployed across the Taiwan Strait are a small part of Beijing's overall economic as well as military ability to force or coerce Taiwanese into unwilling decisions about their relationship with China. But virtually all other tools of Chinese coercion can be resisted for some time or involve protracted costs for Beijing. Offensive missile attacks on Taiwan are virtually cost-free (except for the sunk costs of the missiles themselves) and can harm Taiwan

in a matter of days. Taiwan, the US and the rest of Asia's democracies have a vital interest in building defenses against that threat.

"Unless, of course, Americans, Taiwanese and other Asians are content with the idea of having China in charge."

YOUNG